

**ANNUAL USE OF CAPITAL SURVEY - 2009****NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

The Bancorp, Inc. (The Bancorp Bank)

Person to be contacted regarding this report:	Paul Frenkiel
CPP Funds Received:	\$45,220,000
CPP Funds Repaid to Date:	\$45,220,000
Date Funded (first funding):	12/12/2008
Date Repaid ¹ :	3/10/2010

RSSD: (For Bank Holding Companies)	2858951
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	32569
City:	Wilmington
State:	Delaware

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Bancorp management continued significant lending in 2009, which might not have occurred without the TARP. In fact, the Bank made \$245 million in new loans in 2009 which might have been reduced without the TARP. Net of repayments, loan totals grew modestly.
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Bancorp pursued an affordable housing program through a developer, in addition to its commercial mortgage and small business loans, which continued.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	MBS and ABS were purchased, in order to deploy TARP funds.
<input checked="" type="checkbox"/>	Make other investments	Additionally, municipal securities were purchased to deploy some of the TARP funds.
<input type="checkbox"/>	Increase reserves for non-performing assets	

<input checked="" type="checkbox"/>	Reduce borrowings	Borrowings were reduced as a result of the TARP funds.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Excess capital increased capital ratios measurably.

What actions were you able to avoid because of the capital infusion of CPP funds?

The Bank was able to continue significant lending, which might not have been the case had TARP not reassured the public at large as to the stability of the nation's financial system.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The Company pursued an affordable housing plan, and continued to support the local economy as a preferred lender.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

Bancorp issued common stock to replace TARP funds in August 2009, and repaid its TARP on March 10. We believe that the TARP funds were helpful in maintaining national public confidence. Bancorp management continued significant lending in 2009, which might not have occurred without the TARP. In fact, the Bank made \$245 million in new loans in 2009 which might have been significantly reduced without the TARP. While repayments were significant and offset a significant portion of those loans, Bancorp did in fact show a modest increase in loans at year end 2009, compared to the prior year end. Because the TARP was helpful in maintaining public confidence, we believe that it did contribute to economic stability and the loan growth experienced. December 31, 2009 loans totaled \$1.523 billion, compared to \$1.449 billion, an increase of approximately \$75 million. While that growth is modest, within the context of the economic downturn, it is meaningful. Additionally, Bancorp purchased municipal securities to partially deploy the excess capital. Total available for sale securities were \$93 million at December 31, 2009, compared to \$83 million at the prior year end, reflecting that growth. The TARP funds also resulted in reduced borrowings. Reserves and charge-offs were not increased as a result of TARP. The funds were not used for the purchase of another financial institution or the purchase of assets. A portion of the TARP funds were used to increase capital ratios, prior to the full repayment of TARP as the result of a successful stock offering.